

Global orientation and export competitive advantage:

A study of Malaysian firms

Abstract

Recent globalization studies pinpoint to tracing the way that a global orientation is implemented and the effect it has on shaping firm's performance. The globalization literature connects the creation of competitive advantages with following a more standardized marketing approach across global markets, whereas the marketing adaptation literature declares that adaptation is necessary when consumers needs and wants differ significantly. Yet, there exists a lack of conceptual clarity and empirical evidence as to whether, and how, global export orientation and adaptation can be reconciled for competitive advantage. This study makes a step toward addressing this knowledge void by examining the interplay between global export orientation and product adaptation in realizing cost advantage and distribution advantage. Drawing on cross-sectional survey data from 144 Malaysian exporters, the results demonstrate that global export orientation has a positive impact on both cost and distribution competitive advantages. However, the quantity of export product adaptation pursued has a double-edged moderating effect. While on one hand adaptation weakens the global export orientation-cost advantage relationship, hindering the attainment of cost advantages, on the other it holds a positive moderating effect for the global export orientation-distribution advantage relationship.